

SUMMARY

The Office of Natural Gas and Petroleum Import and Export Activities prepares quarterly reports summarizing the data provided by companies authorized to import or export natural gas. Companies are required, as a condition of their authorizations, to file quarterly reports. This report is for the fourth quarter of 1997 (October through December).

Attachment A shows the percentage of takes to maximum firm contract levels and the weighted average per unit price for each of the long-term importers during the five most recent reporting quarters.

Attachment B shows volumes and prices of gas purchased by long-term importers and exporters during the past 12 months.

Attachment C shows volume and price information pertaining to gas imported on a short-term or spot market basis.

Attachment D shows the gas exported on a short-term or spot market basis to Canada and Mexico.

Fourth Quarter Highlights: Canadian imports set a record this quarter at 756.3 Bcf, exceeding the record high previously set in the fourth quarter of 1996 (750.8 Bcf). Seven new long-term Canadian import contracts were activated, totaling 130.5 MMcf per day or 47.6 Bcf annually. Most of these new volumes (34.3 Bcf per year) will go to supply various markets in the Northeast. Another 5.5 Bcf per year will supply markets in Nevada and 2.8 Bcf per year will go to markets on the West Coast (mostly California). Finally, 5 Bcf per year will supply industrial markets in the Midwest.

Gas was exported to Mexico for the first time on the new Samalayuca Pipeline which crosses the international border near Clint, Texas. The gas exported at this point will supply the Samalayuca Power Plant near Ciudad Juarez, Mexico, as well as other markets in Ciudad Juarez and Chihuahua City.

Fourth Quarter Data: Long-term imports for the quarter totaled 369.9 Bcf, representing a 4.9 percent decrease over the fourth quarter of 1996 (389 Bcf). Long-term Canadian imports totaled 350 Bcf, which is 6.5 percent less than the fourth quarter of 1996 (374.5 Bcf). The average price of these supplies was \$2.68 per MMBtu, which was 51 cents or 24 percent higher than the preceding quarter. Under other long-term import arrangements, Distrigas imported 12.5 Bcf of Algerian LNG at an average landed price of \$2.94 per MMBtu and Duke imported 7.3 Bcf of Algerian LNG at \$2.00 per MMBtu.

During the fourth quarter, 99 companies used **short-term authorizations** to import 416.2 Bcf of gas. This volume is an increase of 34.6 Bcf or about 9 percent compared to the fourth quarter of 1996, when short-term imports totaled 381.6 Bcf. Of this total, 406.3 Bcf was imported from Canada at an average price of \$2.07 per MMBtu (compared to \$1.54 per MMBtu in the third quarter), and 4.7 Bcf was imported from Mexico at an average price of \$2.53 per MMBtu. Under **short-term LNG import** contracts, Distrigas imported 2.4 Bcf from Australia. Duke imported 2.5 Bcf of LNG from Australia and 0.3 Bcf of LNG from Algeria.

Approximately 42 percent of the **short-term Canadian** sales were made at Eastport, Idaho, at an average price of \$1.68 per MMBtu; 19 percent at Sumas, Washington, at \$1.83 per MMBtu; 16 percent at Port of Morgan, Montana, at \$2.50 per MMBtu; 10 percent at Noyes, Minnesota, at \$2.43 per MMBtu; 5 percent at Niagara Falls, New York, at \$2.83 per MMBtu; 2 percent at Waddington, New York, at \$2.83 per MMBtu; 2 percent at Grand Island, New York, at \$3.31 per MMBtu; and 4 percent at various other entry points, at \$2.30 per MMBtu.

In addition, 32 **short-term export authorizations** were used, exporting a total of 25 Bcf of gas. Nine authorizations were used to export 15.4 Bcf to Canada, at an average price of \$2.78 per MMBtu. Under 23 authorizations, 9.6 Bcf was exported to Mexico at an average price of \$2.68 per MMBtu.

1997 Highlights: During 1997, total gas imports grew by nearly 2 percent (2993.7 vs. 2937.3 Bcf) and total gas exports declined by about 3 percent (158.1 vs. 162.8 Bcf) compared to 1996 levels. Imports from Canada increased by 0.5 percent over 1996 levels (2898.7 vs. 2883.3 Bcf). Exports to Canada fell from 61.4 Bcf in 1996 to 57.5 Bcf in 1997 (a 6 percent decrease). Imports from Mexico increased by 24 percent in 1997 (17.2 vs. 13.9 Bcf in 1996), while exports to Mexico increased by 14 percent compared to 1996 (38.4 vs. 33.8 Bcf). LNG imports increased by 94 percent (77.8 vs. 40.1 Bcf). LNG exports to Japan decreased by 8 percent (62.2 vs. 67.6 Bcf in 1996).

This quarter's focus report is a review of gas import/export activity for 1997. Next quarter's focus report will go into further detail of 1997's gas trade. The quarterly report and any future revisions to the report will be resident on our Electronic Bulletin Board at (202) 586-7853 or on the Fossil Energy Web Site at <http://www.fe.doe.gov>. Any questions or comments concerning this report should be directed to Yvonne Caudillo at (202) 586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.